



**City of Rome, New York**  
**2006 Budget Message**  
*James F. Brown, Mayor*

As Mayor, I consistently seek to run the City of Rome using the same principles that made me a successful businessman:

- Be honest;
- Be hard-working; and
- Be mindful of the details.

It does not make me popular with every one; in fact, it is quite often not politically correct, but these principles are essential not just in the business world but in city government as well if we truly intend to grow jobs and grow this community.

My focus for the 2006 budget is very simple: It is to move this city forward.

This budget requires some very difficult decisions, and will involve both some pain and some sacrifice. However, backing away from these choices isn't what we were elected to do. Backing away from these choices will not only threaten to undo all of the progress we've made but also set us even further behind than where we started. And ladies and gentlemen, I do not consider moving backward as an option.

The responsibility is ours – yours and mine – to provide essential services to the people of Rome and to aggressively pursue economic growth. It is a responsibility that must come before politics as usual or sound bites for press releases.

We have, over the first half of my administration, worked hard to get new jobs. We have and continue each day to market the City of Rome aggressively. We have already begun to see the results of this strategy, which includes:

- The construction of the Family Dollar Distribution Center and its more than 400 jobs;
- The expansion of DFAS and its 600 jobs;
- The development of such companies or organizations such as SuperChrome; Nortek; Owl Wire; the call center at Griffiss Park; the new Marshall's store downtown, and others like them, with hundreds of jobs between them.

I am convinced that this is only the beginning if we remain committed to this goal and that we work together until it is achieved.

This proposed budget has been developed with an emphasis on economic development. It has also been developed with a commitment toward making every dollar, every dime and even every penny we receive from the taxpayers productive. Maintenance of our infrastructure and our assets are paramount in this effort.

What would happen to any business that fails to budget for inventory, equipment upgrades or employee training stay in business? It's simple. If you don't invest in your business, if you don't maintain your infrastructure, if you don't training and manage your employees, you go out of business.

And I will not let this city go out of business.

Over the past two years, we've invested in upgrading our computer and software systems to make our operations more efficient and more cost effective; we've made improvements to our streets, our buildings and our fixed assets because we recognized that failing to do so was not only inconveniencing the public but also only going to add to the expense of fixing them later on.

Over the past two years, we've been creative in finding ways to raise revenue and reduce the taxpayers' burden. We've worked with the Council to pass legislation at the State and local level to expand the tax base by encouraging the building of new homes through a residential tax exemption program. Also, the consolidation with VIP and CENTRO is estimated to save the City over a million dollars over 5 years; and we are working to fill the need for new residential development in the City through the sale of surplus City owned land.

Daily I hear that the City of Rome hasn't looked this nice in 20 years, but how could this have happened if we didn't invest in the city by demolishing blighted buildings, repairing our parks, repairing city-owned sidewalks and paying attention to the streetlights, the City parks, the flowers and everything in between?

Make no mistake: The city treasurer and I have scrutinized this budget proposal line by line dozens of times and over the past year, the City of Rome was truly an organization that has done more with less.

The challenge to my department heads will be that they will be required to do it again in the coming year. I have given these managers a clear directive: I will simply not accept any reduction in services despite the fact that we are making substantial cuts in requested equipment, supplies, contract services and other areas, including some staff reductions.

The fact is that while many of these requests are justified, we cannot afford them, not when costs for personnel, health insurance, pensions, gasoline and fuel are rising at their current rates. Next year alone, we anticipate that the city's costs for health insurance will increase by nearly \$600,000, more than double the anticipated rate of inflation for 2006.

And while we have been proactive – and successful -- in our efforts to conserve fuel and to reduce our costs, it is only prudent to plan on further increases in the cost of gasoline and electricity in the coming year.

In preparing this budget, we are also taking a hard look at the upcoming years and planning for future contingencies as well as for future growth. The new commercial and residential construction that is bringing us new jobs and a new economic vitality will undoubtedly bring with it additional, but necessary costs.

I am pleased that 2006 marks the fifth consecutive year of growth in the City's tax base. This year, the tax rolls have grown over \$3.7 million in the inside district and \$2.5 million in the outside district. This demonstrates the confidence that both residents and businesses continue to have that investment in Rome is good business. We expect that this growth is only the tip of the iceberg, and we will continue to do everything we can to stimulate investment and growth in our city.

I believe that tax relief is important; however, as a businessman, I know that failing to plan for growth and for maintenance is simply planning to fail – or, in the government model, it is planning to pass the buck and the blame to future administrations.

While I would have liked nothing more than to present to you a budget that contained no increase in taxes or fees, ultimately that would have only undermined our progress and set us on a course for certain budget disaster in 2007 and 2008.

The fiscally responsible and conservative budget that I am proposing today contains nearly a 1.97% tax increase in both the inside district and outside districts. This equates to an increase of approximately 37 cents per thousand for the Inside District and 24.75 cents per thousand in the Outside District. A \$60,000 home in the Inside District would pay roughly \$22 more in taxes next year; a \$60,000 house in the Outside District will pay \$14.85 more next year.

Likewise, user fees for water and sewer need to increase in 2006 to keep these systems from operating at a deficit and to permit necessary repairs, future upgrades and growth. To properly maintain these essential services, an increase of 15 percent in sewer rates (this equates to a \$20.40 increase) and a 9.75-percent increase in water rates for single-family homes (which equates to a \$22.20 increase) are needed.

Maintenance and upgrades in these systems are vital, not only for future economic growth, but for basic human health and safety. And we intend to share the cost. We have already informed the Towns of Lee, Floyd and Westmoreland of our intention to begin negotiations to increase their water rates so that we will all pay our fair and equitable share of operating this vital system.

Due to the recent negotiation and approval by the Board of Estimate and Contract of an extension of the Waste Management contract, I am pleased to announce that Refuse District rates will remain unchanged (for the 11<sup>th</sup> consecutive year).

I know that increases in taxes and user fees are not popular, but I want everyone to know that these increases would not have been proposed if they were not absolutely essential. Without them, we would sink quickly into the mess that has engulfed so many upstate communities: increased blight and decay, double-digit tax increases, rising crime and enormous bonding measures to pay for a crumbling infrastructure and emergency repairs.

In order to present a budget with as small a tax increase as possible, the City of Rome will need to utilize \$4.7 million in reserves. This figure is down nearly \$3 million from last year's budget, however, we cannot risk depleting our reserves, threatening our bond rating or overburdening our taxpayers.

It is essential that we identify additional sources of revenue. Conservatively, we are anticipating a modest increase in sales tax revenue – a reflection of the continued retail development occurring in our community. We must do everything we can to maximize this development and to encourage more retailers to come to Rome.

The bottom line is that additional retail not only enhances our city's bottom line but also the quality of life of our residents.

Rome has also been named one of the safest communities in the nation, as evidenced by federal crime statistics. Our police department is one of but a few departments across the state that is accredited. We are proud of the job they do, but we are also very aware that their job gets harder every day.

While every effort has been made to trim city expenses, we cannot do so at the expense of our public safety and the security of our neighborhoods.

I am pleased that the City of Rome was successful in receiving a grant of \$675,000 for a new fire vehicle. Undoubtedly, being able to secure this grant has saved the taxpayers of the city hundreds of thousands of dollars as well as enhanced our ability to serve the public. Grants such as these also serve to keep the City's debt service at manageable levels and prevent our young people from inheriting mountains of interest payments.

We will, in the coming year, seek out more state and federal grants and actively work with our state and federal officials to try to secure every dime we can for our area.

The key to overcoming our budget issues lies in an improving economy and in continued job growth. By improving our economy, our property tax base can and will expand. These issues are not just talk – they are priorities of this administration and this budget proposal and areas that we address each and every day.

I look forward to working with the Common Council and with the people of Rome toward making these priorities a reality. This budget proposal is another fiscally responsible and prudent step in that direction.